

**STATE WATER RESOURCES CONTROL BOARD  
BOARD MEETING – DIVISION OF FINANCIAL ASSISTANCE  
MAY 5, 2020**

**ITEM 6**

**SUBJECT**

CONSIDERATION OF A RESOLUTION TO ADOPT THE POLICY FOR DEVELOPING THE FUND EXPENDITURE PLAN FOR THE SAFE AND AFFORDABLE DRINKING WATER FUND

**DISCUSSION**

The Safe and Affordable Drinking Water Fund (Fund) was established through Senate Bill 200 (SB200) in July 2019. The Fund will provide up to \$130 million per year that will be used to develop and implement solutions for water systems that are not sustainable or have violations of drinking water standards. Types of projects include, but are not limited to, consolidation with a larger system, extension of service, provision of interim replacement water, planning assistance, reducing and supporting operations and maintenance costs, and providing administrators. Projects generally must benefit a disadvantaged community or low-income households or communities.

As required by SB200, the State Water Resources Control Board (State Water Board) has developed the Policy for Developing the Fund Expenditure Plan (Policy) for the Fund. The Policy establishes and documents the State Water Board's direction on how the Fund Expenditure Plan (the Plan) will be developed. The Policy identifies and defines key terms and metrics; describes how proposed remedies will be identified, evaluated, prioritized, and included in the Plan; establishes a petition process for consideration of consolidation orders for disadvantaged communities; and includes a public hearing requirement.

The Draft Policy was released for public comment on January 3, 2020 and discussed at the first Advisory Group meeting on January 13, 2020. Public comments were due on February 3, 2020 and were discussed at a second Advisory Group meeting in mid-February. A State Water Board Workshop was held on March 3, 2020, where staff discussed the Draft Policy, summarized comments received, and discussed potential changes to the Draft Policy. Revisions to the Draft Policy were made to address comments made by the Advisory Group and in response to written comments received; and to add details and clarity to items such as funding strategy, prioritization criteria, and metrics. A revised Draft Policy was posted on April 10, 2020 with no additional comment period at:

[https://www.waterboards.ca.gov/water\\_issues/programs/grants\\_loans/sustainable\\_water\\_solutions/](https://www.waterboards.ca.gov/water_issues/programs/grants_loans/sustainable_water_solutions/). Other specific funding requirements will be included in the Fund Expenditure Plan, which is anticipated to be considered for State Water Board adoption in June 2020. Expenditures from the Fund on or after July 1, 2020 must be consistent with the FY 20-21 Fund Expenditure Plan.

The State Water Board's ongoing effort to bring small disadvantaged and economically vulnerable communities safe and affordable drinking water is now referred to as the Safe and Affordable Funding for Equity and Resilience (SAFER) Drinking Water Program (Program) to accurately reflect the mandate and comprehensive approach to making water a human right in California. The SAFER Program combines existing State Water Board funding streams with the new funds and authorities for the State Water Board under SB200.

## **POLICY ISSUE**

Should the State Water Board adopt the Policy for Developing the Fund Expenditure Plan?

## **FISCAL IMPACT**

The Fiscal Year (FY) 20/21 Governor's Budget transfers funds from the Greenhouse Gas Reduction Fund into the Fund. All expenditures from the Fund in FY 20/21 must be in accordance with the Plan. The Policy is required in order for the State Water Board to develop and adopt the Plan. State Water Board staff costs are supported by the Fund.

## **REGIONAL BOARD IMPACT**

Eligible projects statewide may be funded by the Fund and will require collaboration and engagement between State Water Board staff Regional Water Quality Control Boards' staff.

## **HUMAN RIGHT TO WATER ANALYSIS**

The actions discussed under this item are consistent with the established policy of the State recognizing the human right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes (human right to water; Water Code section 106.3). The proposed actions are also consistent with Resolution No. 2016-0010, available at: [https://www.waterboards.ca.gov/board\\_decisions/adopted\\_orders/resolutions/2016/rs2016\\_0010.pdf](https://www.waterboards.ca.gov/board_decisions/adopted_orders/resolutions/2016/rs2016_0010.pdf), in which the State Water Board adopted the human right to water as a core value and top priority. As directed by the State Water Board in Resolution No. 2016-0010, staff have determined that work performed to implement SB200 and the SAFER Program support the human right to water by enhancing access to safe and affordable drinking water.

## **STAFF RECOMMENDATION**

Staff recommends adoption of the Policy. The adoption of this Policy will allow the State Water Board to develop the Fund Expenditure Plan and responsibly fund projects using the Safe and Affordable Drinking Water Fund.